

Message Text

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PAGE 01 NEW DE 11853 242214Z
ACTION NEA-10

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-----040740 242229Z /72/64

R 231152Z AUG 77
FM AMEMBASSY NEW DELHI
TO USDOC WASHDC
INFO SECSTATE WASHDC 5563
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL MADRAS

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C O R R E C T E D C O P Y (CORRECT MRN TO READ 11853 VICE 1853)

DEPT PLEASE PASS TO USGS, USBURMINES

E.O. 11652: DECLASSIFY ON ARRIVAL
TAGS: EMIN, IN, BEXP
SUBJECT: MAJOR PROJECTS: EAST COAST ALUMINA/ALUMINUM
PLANTS

REF: NEW DELHI 7925

1. BHARAT ALUMINUM COMPANY'S (BALCO) CHAIRMAN/MANAGING
DIRECTOR, A.N. BANERJEE, HAS INFORMED EMBASSY'S RESOURCES
ATTACHE THAT THE GOI HAS APPROVED IN PRINCIPLE THE FIRST
OF TWO PROPOSED EAST COAST ALUMINA/ALUMINUM PROJECTS TO BE
SET UP IN ORISSA.

2. THE FIRST PROJECT CALLS FOR A 800,000 METRIC TON (MT)

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PER YEAR ALUMINA PLANT, A 150,000 MT SMELTER, A 500 MW
CAPTIVE POWER PLANT AND A CAUSTIC SODA PLANT WITH SOME
DOWN-STREAM FACILITIES FOR THE ECONOMIC UTILIZATION OF THE
CHLORINE DISCHARGE. IT IS THE GOI'S INTENT TO EXPORT THE
SURPLUS ALUMINA OF ABOUT 500,000 MT AS WELL AS THE ENTIRE
ALUMINUM OUTPUT.

3. FOUR INTERNATIONAL ALUMINUM COMPANIES ARE REPORTED TO BE INVOLVED IN THIS PROJECT. THESE INCLUDE VAW (WEST GERMANY), PECHINEY (FRANCE), LIGHT METALS GROUP (JAPAN), AND AN ITALIAN FIRM (UNNAMED). FINANCING IS TO BE ARRANGED BY THESE FIRMS ON THE BASIS OF LONG-TERM BUY BACK CONTRACTS YET TO BE FINALIZED. TOTAL COST OF THE PROJECT IS ESTIMATED AT \$1 BILLION. THE GOI HAS EXPRESSED A STRONG PREFERENCE FOR A CONSORTIUM APPROACH TO INSURE LONG TERM EXPORT COMMITMENTS.

4. CONSTRUCTION IS EXPECTED TO COMMENCE IN LATE 1978 FOLLOWING AN ECONOMIC FEASIBILITY REPORT AND REQUIRE ABOUT 3 TO 4 YEARS TO COMPLETE. THE SMELTER TECHNOLOGY IS TO BE SUPPLIED BY ONE OF THE FOUR FIRMS, MENTIONED ABOVE.

5. SEPARATE BIDS HAVE BEEN INVITED FOR THE CONSTRUCTION OF THE CAUSTIC SODA PLANT. SEVERAL FIRMS INCLUDING ARTHUR MCKEE (US) ARE NOW BIDDING ON THIS PLANT AND THE ASSOCIATED CHEMICAL FACILITIES. THE CAUSTIC SODA PLANT IS TO HAVE AN INITIAL CAPACITY OF 200 TO 250 METRIC TONS PER DAY (TDP) WITH THE CAPABILITY OF EXPANDING TO 400 TPD WHEN THE SECOND ALUMINA/ALUMINUM COMPLEX COMES ON STREAM.

6. CAPACITY OF THE SECOND ALUMINA PLANT, WHICH IS IN AN EARLIER PLANNING STAGE THAN THE FIRST, IS TO BE AROUND 600,000 MT WITH ITS ENTIRE PRODUCTION EXPORTED UNTIL A LIMITED OFFICIAL USE

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SECOND SMELTER IS READY.

7. ALCAN (CANADA), ALCOA AND REYNOLDS (BOTH US) ARE NOW DISCUSSING THIS PROJECT WITH BALCO. ALCOA HAS RECENTLY MET WITH THE INDIAN INVESTMENT CENTER IN WASHINGTON AND REYNOLDS IS CURRENTLY RUNNING TESTS ON THE EAST COAST BAUXITE ORE. BASED ON TALKS WITH CHAIRMAN BANERJEE, IT IS OUR IMPRESSION BALCO WOULD PREFER TO SEE A US FIRM INVOLVED WITH THIS SECOND PROJECT, BUT WE HAVE NO INDICATION HOW SERIOUS EITHER OF THE TWO US FIRMS ARE AT THIS JUNCTURE. ACCORDING TO TRADE SOURCES, ALCAN, WHICH ALREADY HAS A JOINT ALUMINUM VENTURE IN INDIA (INDALCO), IS A STRONG CONTENDER. BOTH THE RUSSIANS AND IRANIANS HAVE ALSO SHOWN RENEWED INTEREST, BUT ONLY IN THE ALUMINA ASPECTS OF THE PROJECT.

8. FOR US FIRMS INTERESTED IN THIS PROJECT BALCO HAS PREPARED A DETAILED REPORT WITH MAPS ON THE EAST COAST BAUXITE REGION WHICH CONTAINS SUCH USEFUL INFORMATION. THE INDIAN INVESTMENT CENTER IN WASHINGTON POSSESSES A COPY. COPIES MAY ALSO BE PURCHASED FROM BALCO IN NEW DELHI FOR RS 1,000 EACH.
GOHEEN

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Message Attributes

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Copy: SINGLE
Sent Date: 23-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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